

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of the Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) (collectively "United States"); Relator Javier Figueroa ("Relator"); Medical Services of America and Community Home Health Services d/b/a Traditional Home Health of Palm Beach (the "Defendants") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

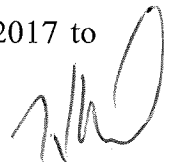
RECITALS

A. Defendant Medical Services of America is a home healthcare provider located in South Carolina that offers home healthcare, hospice care, assisted living services and other related care. Defendant Traditional Home Care, Inc. d/b/a Community Home Health is a subsidiary of Defendant Medical Services of America and operates three facilities in the Southern District of Florida.

B. On September 28, 2023, Relator Javier Figueroa filed a *qui tam* action in the United States District Court for the District of Florida captioned *United States ex rel. Javier Figueroa v. Medical Services of America et al.*, Case No. 23-CV-81328-AMC (Sealed), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action").

C. The United States contends that Defendants submitted or caused to be submitted claims for payment to Medicare, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395III ("Medicare").

D. The United States contends that it has certain civil claims against Medical Services of America and Traditional Home Care, Inc. d/b/a Community Home Health arising from their submission of fraudulent claims to Medicare from February 2017 to

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February 2025. Specifically, the United States contends that that bonus payments based on the number of referrals that a physician's spouse referred to Community Home Health created a financial relationship between Community Home Health and the physician. The United States further contends that the physician referred Medicare beneficiaries to Community Home Health for designated health services, and Community Home Health furnished designated health services ordered by the physician and submitted the respective claims to Medicare for those services. The United States further contends that the financial relationship between Community Home Health and the physician did not satisfy the requirements of any exception to the Physician Self-Referral Law, 42 U.S.C. § 1395nn (commonly referred to as the "Stark Law"). The United States further contends that the referrals of the physician to Community Home Health for designated health services were, therefore, prohibited, and the submission of claims to the Medicare program for the improperly referred services violated the Stark Law, 42 U.S.C. §§ 1395nn, and the False Claims Act, 31 U.S.C. §§ 3729-3733. That conduct is referred to below as the "Covered Conduct."

E. This Settlement Agreement is neither an admission of liability by Medical Services of America and Traditional Home Care, Inc. d/b/a Community Home Health nor a concession by the United States that its claims are not well founded.

F. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, attorneys' fees and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Medical Services of America and Traditional Home Care, Inc. d/b/a Community Home Health shall pay to the United States a total of \$702,541.20 (Settlement Amount) of which \$379,752 is restitution, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Southern District of Florida no later than 30 days after the Effective Date of this Agreement

2. Conditioned upon the United States receiving the Settlement Payment, the United States agrees that it shall pay to Relator by electronic funds transfer 18% percent of said payment received under the Settlement Agreement (Relator's Share) as soon as feasible after receipt of the Settlement Payment.

3. Medical Services of America and Traditional Home Care, Inc. d/b/a Community Home Health shall pay to the Relator \$90,000 to resolve all of his claims for expenses and attorney's fees pursuant to the False Claims Act, 31 U.S.C. § 3730(d). The payment shall be made by electronic funds transfer no later than 30 days after the Effective Date of this Agreement.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases Defendants from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the civil monetary provisions of the Stark Law at 42 U.S.C. §§ 1395nn(g)(3) and (g)(4); or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 6 below, and upon the United States' receipt of the Settlement Amount, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Defendants from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

6. Notwithstanding the releases given in Paragraph 4 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement; and
- f. Any liability of individuals.

7. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the Relator's Share, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of

the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

8. Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, releases Defendants, and its officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

9. Defendants waive and shall not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

10. Defendants fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

11. Defendants fully and finally releases the Relator, his heirs, successors, attorneys, agents, and assigns, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against his heirs, successors, attorneys, agents, and assigns, related to the Civil Action or the United States' investigation or prosecution thereof.

12. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and Defendants agree not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

13. Defendants agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395111 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of X, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment Defendants makes to the United States pursuant to this Agreement and any payments that Defendants may make to Relator, including costs and attorneys fees.

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Defendants or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Defendants further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Defendants or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Defendants or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Defendants or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Defendants' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

14. Defendants agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Defendants shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendants further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

15. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 14 (waiver for beneficiaries paragraph), below.

16. Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

17. Upon receipt of the Initial Payment described in Paragraph 1, above, and the satisfactory resolution of Relator's attorney fees, the United States and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1), stating that the stipulation of dismissal provides that the action is being dismissed "subject to the terms of the settlement agreement," and that the Court retains jurisdiction over the parties to the extent necessary to enforce the terms and conditions of the settlement agreement.

18. Except as outlined above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

19. Each party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

20. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Southern District of Florida. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

21. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

22. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

23. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

24. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.

25. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

26. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

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27. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 1/2/2020

By: 

H. Ron Davidson
Assistant United States Attorney
Southern District of Florida

HHS OFFICE OF INSPECTOR GENERAL

DATED: ____

By: 

KENNETH KRAFT Digitally signed by KENNETH KRAFT
Date: 2025.12.31 11:24:04 -05'00'
Susan E. Gillin
Assistant Inspector General for Legal Affairs

MEDICAL SERVICES OF AMERICA

DATED: ____

By: 

DATED: ____

By: 

Alissa D. Fleming
Counsel for Medical Services of America

TRADITIONAL HOME CARE, INC.

DATED: ____

By: 

DATED: ____

By: 

Alissa D. Fleming
Counsel for Community Home Health Services

JAVIER FIGUEROA - RELATOR

DATED: ____

By: 

Javier Figueroa
Relator

DATED: ____

By: 

R. Scott Oswald, Esquire
The Employment Law Group, P.C.

27. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: _____ By: _____
H. Ron Davidson
Assistant United States Attorney
Southern District of Florida

HHS OFFICE OF INSPECTOR GENERAL

DATED: _____ By: _____
Susan E. Gillin
Assistant Inspector General for Legal Affairs

MEDICAL SERVICES OF AMERICA

DATED: _____ By: _____

DATED: _____ By: _____
Alissa D. Fleming
Counsel for Medical Services of America

TRADITIONAL HOME CARE, INC.

DATED: _____ By: _____

DATED: _____ By: _____
Alissa D. Fleming
Counsel for Community Home Health Services

JAVIER FIGUEROA - RELATOR

DATED: _____ By: _____
Javier Figueroa
Relator

DATED: _____ By: _____
R. Scott Oswald, Esquire
The Employment Law Group, P.C.

MEDICAL SERVICES OF AMERICA

DATED: By: _____

DATED: By: _____

Alissa D. Fleming
Counsel for Medical Services of America


TRADITIONAL HOME CARE, INC.

DATED: By: _____

DATED: By: _____

Alissa D. Fleming
Counsel for Community Home Health Services

JAVIER FIGUEROA - RELATOR

DATED: 12-18-2025 By: 
Javier Figueroa
Relator

DATED: By: _____
R. Scott Oswald, Esquire
The Employment Law Group, P.C.

